

Info Capsule

Friday
November 06, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

• 48th National Convention of Company Secretaries (November 05, 2020)

The ICSI is organising 48th National Convention of Company Secretaries on December 17-19, 2020 at Amber Convention Centre, Indore, Madhya Pradesh on the theme "Governance: From Grassroots to Global".

For details:

<https://www.icsi.edu/home/48-national-convention/>



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Securities Laws & Capital Markets

SEBI Circulars

• Enhancement of Overseas Investment limits for Mutual Funds (November 05, 2020)

In partial modification to clause 1(b) of SEBI Circular dated September 26, 2007 and clause 2 of SEBI circular dated April 08, 2008, SEBI has enhanced the investment limits per Mutual Fund as follows-

1. Mutual Funds can make overseas investments subject to a maximum of US \$ 600 million per Mutual Fund, within the overall industry limit of US \$ 7 billion.
2. Mutual Funds can make investments in overseas Exchange Traded Fund (ETF(s)) subject to a maximum of US \$ 200 million per Mutual Fund, within the overall industry limit of US \$ 1 billion.

Mutual Funds shall report the utilisation of overseas investment limits on monthly basis, within 10 days from end of each month. The format for reporting is enclosed at Annexure A to this circular.

For details:

https://www.sebi.gov.in/legal/circulars/nov-2020/circular-on-enhancement-of-overseas-investment-limits-for-mutual-funds_48090.html

Securities Appellate Tribunal Order

• In the matter of Reliance Industries Ltd &Ors. (November 5, 2020)

The Securities Appellate Tribunal (SAT) has directed Reliance Industries Ltd (RIL) to make payment of the disgorged amount of Rs. 447.27 Crore, along with simple interest calculated at the rate of 12% p.a. with effect from November 29, 2007 till the actual date of payment to SEBI within 60 days from the date of this Order, while dismissing an appeal filed by the company against the SEBI order dated March 24, 2017.

SEBI vide its order dated March 24, 2017 had barred RIL and other entities from dealing in equity derivatives in the futures and options segment for a period of one year, directly or indirectly, for allegedly indulging in fraudulent trades in Reliance Petroleum Ltd (RPL) in 2007. SEBI had also directed RIL to disgorge the amount.

For details:

http://sat.gov.in/english/pdf/E2020_J02017120.PDF

❖ **Direct Tax**

- **Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Form No. 10BB for Assessment Year 2016-17 and subsequent years - [Circular No. 19 Dated November 03, 2020]**

The Central Board of Direct Taxes hereby directs that the belated applications in filing of Form No. 10BB

- For years prior to A.Y. 2018-19 - the Commissioners of Income-tax are authorized to admit such applications for condonation of delay and all such applications shall be disposed of by 31.03.2021.
- where there is delay of upto 365 days in filing Form No. 10BB for Assessment Year 2018-19 or for any subsequent Assessment Years, the Commissioners of Income-tax are hereby authorized to admit such belated applications of condonation of delay and decide on merits.

The Commissioners of Income-tax shall, while entertaining such belated applications in filing Form No. 10BB, satisfy themselves that the applicant was prevented by reasonable cause from filing such application within the stipulated time.

For details:

https://www.incometaxindia.gov.in/communications/circular/circular_19_2020.pdf

❖ **Indirect Tax**

Customs

- **Policy and Guidelines for setting up of Inland Container Depots (ICDs), Container Freight Stations (CFSs) and Air Freight Stations (AFSs) – Circular No. 50/2020 (November 05, 2020)**

The new policy takes in to account the present capacity, future growth potential and addresses the identified regulatory and logistics concerns associated with the hard and soft infrastructure of ICDs/CFSs/AFSs in India. The approval and notification of all new ICD/CFS, including existing and new MMLPs will be processed in consonance with the national logistics action plan.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-50-2020.pdf>

❖ **Pronouncement**

November 05, 2020	M/s Arihant Unitech Realty Projects Limited (Appellant)	NCLAT
-------------------	---	-------

If the 'explanation' offered does not seemed mala fide, utmost consideration must be given to a Litigant/Suitor to condone the delay.

Fact of the case

In the Matter of: Scheme of Amalgamation of Arihant Unitech Realty Projects Limited with North Town Estates Private Limited.

The Appellant/unlisted Public Limited Company has preferred the instant Company Appeal in respect of the order dated February 13, 2020, passed by the NCLT, Chennai bench who had dismissed the petition for condonation of delay of 201 days filed by the Appellant Company.

The Appellant Company submitted that it had duly complied with the directions of the Tribunal, in convening and holding meeting of equity shareholders and unsecured creditors. Further, in the said meetings, the 'Equity Shareholders' and 'Unsecured Creditors' of 'Transferor' and 'Transferee' Company unanimously approved the 'Resolution' approving the Scheme of Amalgamation. The prime plea of the Appellant is that the 'Scheme of Amalgamation' is formulated in the best interest of the Shareholders, Employees, Creditors and other Stakeholders of the 'Transferor' and 'Transferee' Company and as a result thereof, they should not be deprived of the benefits under the scheme, if the delay in filing the petition was not condoned.

Judgment

The NCLAT observed that in case of 'Condonation of Delay', the Tribunal is to adopt lenient/liberal view of course, based on the facts and circumstances of given case. Further, the very approach of the Tribunal should be pragmatic and justice oriented. It is well settled principle in Law that if the 'explanation' offered does not seemed mala fide, utmost consideration must be given to a Litigant/Suitor to condone the delay.

Hence, the NCLAT held that in the present case Appellant had come out with reasons that the delay in filing the Company Petition was not an act wantonly and that the delay was due to their pre-occupation with internal compliance and closure of audit/accounts, and that the said reasons ascribed by the Appellant Company is not mala fide. Therefore, to prevent an 'Aberration of Justice' and to 'Secure the Ends of Justice' the impugned order passed by the NCLT, Chennai bench is set aside and the instant Appeal is allowed.

For details:

<https://nclat.nic.in/Useradmin/upload/16124595335fa40993175d4.pdf>

❖ **Banking and Insurance**

• **Co-Lending by Banks and NBFCs to Priority Sector (November 05, 2020)**

Based on the feedback received from the stakeholders and to better leverage the respective comparative advantages of the banks and NBFCs in a collaborative effort, it has been decided to provide greater operational flexibility to the lending institutions, while requiring them to conform to the regulatory guidelines on outsourcing, KYC, etc. The primary focus of the revised scheme, rechristened as “Co-Lending Model” (CLM), is to improve the flow of credit to the unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost, considering the lower cost of funds from banks and greater reach of the NBFCs.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11991&Mode=0>

❖ **Terminology for Today**

GI Tag:

A geographical indication or GI is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. The GI tags are issued as per the Geographical Indications of Goods (Registration and Protection) Act, 1999 by the Geographical Indication Registry. Darjeeling tea became the first GI tagged product in India.

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	41893.06 (+552.90)
Nifty 50	12263.55 (+143.25)

Reference Rate(https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
74.2677	87.1799	96.2594	.7119

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082269

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.

VISION
"To be a global leader in promoting
good corporate governance"

ICSI Motto
अस्यं वद। धर्मं चर। कृत्वाकं पितृ त्वाकं श्रेष्ठेः त्वं पितृ त्वा

MISSION
"To develop high calibre professionals
facilitating good corporate governance"

Connect with ICSI

www.icsi.edu | [f](#) [t](#) [in](#) [v](#) [@](#) | Online Helpdesk : <http://support.icsi.edu>